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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Joint Petition for Rulemaking
to Establish Rules for Subscriber
Access to Cable Home Wiring
for the Delivery of Competing and
Complimentary Video Services

RM-8380

**COMMENTS OF THE CONSUMER ELECTRONICS GROUP
OF THE ELECTRONIC INDUSTRIES ASSOCIATION**

The Consumer Electronics Group of the Electronic Industries Association ("EIA/CEG") hereby responds to the Petition for Rulemaking submitted by the Media Access Project ("MAP"), United States Telephone Association ("USTA"), and Citizens for a Sound Economy Foundation ("CSE") (collectively, the "Joint Petitioners").¹ EIA/CEG supports the primary objective of the Petition -- that is, to provide consumers with increased control of the wiring in their own homes -- and would support the initiation of a proceeding to accomplish that end if the Commission concludes that it cannot achieve it more expeditiously through another route. To avoid unnecessary delay, however, EIA/CEG prefers that the Commission achieve the result sought by the Joint Petitioners by acting favorably on a petition for reconsideration which has been pending before the Commission in the Cable Home Wiring proceeding since April 1993.²

EIA/CEG's views on the issues raised in the joint petition have been set forth in two documents which are already on file with the Commission. From the very

^{1/} Joint Petition for Rulemaking of Media Access Project, United States Telephone Association, and Citizens for a Sound Economy Foundation, RM-8380 (July 27, 1993).

^{2/} See Petition for Reconsideration of the NYNEX Telephone Companies, MM Docket No. 92-260 (Apr. 1, 1993).

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outset of the Cable Home Wiring proceeding in 1992, EIA/CEG has consistently advocated application of the inside wiring rules developed for telephone companies to the cable environment.³ After the Commission's initial order on this subject, which was limited to rules relating to situations where the subscriber has terminated cable service,⁴ EIA/CEG reiterated this position, through support for NYNEX's petition for reconsideration.⁵

Copies of both of EIA/CEG's earlier statements on this subject are attached hereto and are incorporated by reference. To summarize, those pleadings explain that (1) the telephone inside wiring rules are suitable for use in the cable context (especially as the lines between cable and telephony are blurring), (2) subscriber rights should be established for active subscribers, not just those who have terminated service, (3) subscriber ownership of cable home wiring would limit the exercise of monopoly power in the wiring market and could help to dissipate market power in the video programming delivery market. EIA/CEG also cited other benefits resulting from subscriber control of home wiring: (1) assignment of costs to cost-causative users, (2) avoidance of artificial distinctions between service providers, (3) increased consumer control over costs, quality, configuration, and usage of home wiring, (4) consistency with the objectives of the cable-consumer electronics compatibility provisions of the Cable Act, and (5) promotion of the development and use of applications using the coaxial cable portion of the Consumer Electronics Bus ("CEBus") standard.

The cable home wiring provision of the Cable Act had the shortest implementation deadline of all of the provisions of that statute which required rulemaking action by the Commission. It is therefore understandable that the

^{3/} See Comments of EIA/CEG, MM Docket No. 92-260 (Dec. 1, 1992).

^{4/} 8 FCC Rcd. 1435, 1436 (¶ 6) (1993)(reconsideration pending).

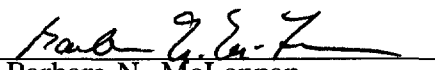
^{5/} See Comments of EIA/CEG, MM Docket No. 92-260 (May 18, 1993).

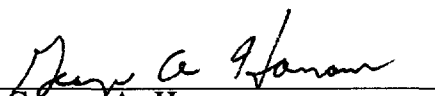
Commission was unable to tackle the entire problem in its first cut at the problem. The reconsideration phase of CC Docket No. 92-260 allows the Commission to move directly to the adoption of a broader order, one that is fully justified by the state of the record already compiled. Such a course is much to be preferred over the alternative of initiating a new rulemaking, which will inevitably entail many more months of delay before final decisions are made. Prolonging the rulemaking aspects of Cable Act implementation diverts Commission resources that may be needed for enforcement of the Cable Act.

In sum, EIA/CEG strongly supports the thrust of the Joint Petition. If the Commission is unable to decide this issue in the reconsideration phase of the pending rulemaking (CC Docket No. 92-260), then it should act swiftly to initiate a new rulemaking, as requested by the Joint Petitioners.

Respectfully submitted,

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December 21, 1993

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554
OFFICE OF THE SECRETARY

In the Matter of)
)
Implementation of the Cable) MM Docket No. 92-260
Television Consumer Protection)
and Competition Act of 1992)

**COMMENTS OF THE CONSUMER ELECTRONICS GROUP
OF THE ELECTRONIC INDUSTRIES ASSOCIATION**

The Consumer Electronics Group of the Electronic Industries Association ("EIA/CEG") hereby responds to the Notice of Proposed Rulemaking ("Notice") in which the Commission seeks comments on rules for cable home wiring, as contemplated by the Cable Television Consumer Protection and Competition Act of 1992.¹ The Notice seeks to implement the congressional directive that the Commission "prescribe rules concerning the disposition, after a subscriber to a cable system terminates services, of any cable installed by the cable operator within the premises of such subscriber."² EIA/CEG welcomes the opportunity to discuss this issue and other closely related subjects which are germane to the formulation of public policies in this area.

1/ Pub.L. No. 102-385, 102 Stat. 1460 (1992) ("1992 Cable Act").

2/ 1992 Cable Act at § 16(d), to be codified at 47 U.S.C. § 544(i).

I. INTRODUCTION AND INTEREST OF EIA/CEG

EIA/CEG represents the consumer electronics industry, an industry that provides the American public with televisions, radios, videocassette recorders and videocameras, compact disc players, and a wide variety of other products. Our membership includes most major consumer electronics manufacturers, as well as many smaller companies that produce, import, distribute, sell, and service electronics products. EIA/CEG has long played an active role in deliberations involving the interrelationships between video consumer equipment (such as TVs and VCRs) and cable television systems.³ Of equal relevance to this proceeding, EIA/CEG has devoted considerable resources in recent years to the development of standards for home automation systems, through a project known as the Consumer Electronics Bus ("CEBus").⁴

CEBus is a multi-faceted model for electronic services for the home, which is intended to standardize communications between home appliances and thereby to enable

^{3/} This includes such matters as (1) the "multiport" developed under the joint auspices of EIA and the National Cable Television Association, (2) the Cable Television Channel Identification Plan (EIA/IS6), (3) the Commission's recent proceedings on technical standards for cable television systems, and (4) the provision which became Section 17 of the 1992 Cable Act.

^{4/} CEBus is a registered service mark of the EIA.

the development and deployment of a wide variety of home automation capabilities. The CEBus framework facilitates the interconnection of such appliances as lighting controls, security devices, telephones, energy management systems, televisions, VCRs, cameras, and other video appliances. The CEBus standard includes provisions for various media, including twisted pair, power line, infrared, fiber optic, and coaxial cable.⁵

The coaxial cable portion of the standard (sometimes referred to as "CXBUS") makes provisions for the distribution within the home of signals originating outside the home, such as from a cable system, MMDS antenna, or satellite dish. It also allows for the distribution of signals originating within the home, for example, from a security camera, or a VCR which is being connected to two different television sets. Importantly, CXBUS is an open system, in contrast to other systems which are proprietary.

The lengthy and dedicated efforts of consumer electronics manufacturers, utility and telephone companies, entrepreneurs and other participants in the CEBus project

5/ The power line aspects of the standard were considered by the Commission in some detail in a recent proceeding. See Amendment of Part 15 to Enable the Widespread Implementation of Home Automation and Communication Technology, 7 FCC Rcd 4476 (1992). In that proceeding, the Commission demonstrated an understanding that home automation technologies have the capacity to enhance the quality of life for millions of Americans.

are testament to their high expectations for the potential utility of, and market growth in, the home automation context. A necessary precondition for full realization of this potential is customer control of the transmission media within the home.

II. DISCUSSION

The specific congressional directive which caused the initiation of this proceeding focuses solely on the need to develop rules governing the "disposition, after a subscriber to a cable system terminates service, of any cable installed by the cable operator within the premises of such subscriber." The Commission has wisely asked a variety of questions that go beyond this particular question, as well as others which are subsidiary to it. EIA/CEG agrees that it is timely to review the full range of cable home wiring issues,⁶ and we commend the Commission for conducting a broad inquiry.

Of course, some questions can best be answered, in the first instance, at least, by cable operators. They are the ones who know best the manner in which they now account for investment in in-home wiring, the manner in which they

^{6/} The Commission uses the term cable home wiring to mean "only the cable itself and not any active elements such as amplifiers, decoder boxes, or similar apparatuses." Notice at ¶ 2 n.4. For purposes of these comments, we use the term in the same manner.

have historically recovered those costs, and the manner in which they currently deal with the wiring of subscribers who terminate their cable service (or whose service is terminated). They are the ones best equipped to describe any relevant provisions of local franchise agreements and local property laws.

The policies established by the Commission, however, need not be constrained by the past patterns of behavior of the cable industry; Section 16(d) of the 1992 Cable Act expressly requires a fresh look at cable home wiring practices. As new rules are formulated, of course, the Commission's efforts should be directed toward promoting the best interests of consumers.

In this regard, EIA/CEG believes the Commission should give considerable weight to the evolution of policies in an analogous context, that is, in the case of telephone wiring and customer-premises equipment. The Commission has long sought to promote competition in these areas, and to do so it has steadily pushed the "network demarcation" toward the point at which the telephone company's facilities enter the consumer's premises.⁷ Inside wiring is now deregulated

7/ Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, 5 FCC Rcd 4686, 4692-93 (1990)(petitions for reconsideration pending)(regulated telephone network ends, and unregulated customer-premises environment begins, at point within 12 inches of the point of entry to customer's premises). See also Petitions Seeking Amendment of Part 68, (Footnote 7 continued on next page)

and can be installed and maintained by a multiplicity of suppliers. The telephone companies may participate in this market, but only on an unregulated, competitive basis.

EIA/CEG sees no reason why this model cannot be employed in (or adapted to) the cable environment. By allowing for consumers to own or lease their own cable home wiring, this approach would enable users to control the quality, configuration, and usage of their own wiring, with all the resulting benefits. For example, allowing for consumer ownership of cable wiring would make it easier to shift from cable service to an alternative video distribution service⁸ or vice versa (or to use two such services simultaneously). Establishment of a single point of transference between the cable service and the consumer's in-home environment could also simplify resolution of existing compatibility problems resulting from the use of

(Footnote 7 continued from previous page)

94 FCC 2d 5, 23 n.27 (1983) ("direct connection" principle extended to all present and future digital services, circuits, and facilities), aff'd on reconsideration, FCC 84-145 (Apr. 27, 1985); Integrated Services Digital Networks, 98 FCC 2d 249, 261-62 (1984) (demarcation for ISDN located at "U" reference point).

8/ Since it is rare for one cable system to compete with another for the right to serve any particular location, facilitating competition between different delivery media is the best way to increase consumer choice, generate downward pressure on prices, and stimulate improvements in service quality.

cable scrambling, encoding, and encryption technologies.⁹ In addition, a demarcation at the point of entry would tend to ensure that costs of any particular home wiring installation are more precisely assigned to the particular customer who causes those costs to be incurred.¹⁰

EIA/CEG also believes that adoption of this approach would increase the chances for consumers to reap the potential benefits of the CXBus. The CXBus topology contemplates dual coaxial cables in a single premise, and both economic and aesthetic considerations suggest that they should be installed and maintained together, not separately. This could be done by a contractor, a cable company, a talented "do-it-yourselfer," or by someone else. The subscriber would choose, just as is done today in the case of inside wiring for telephone service.¹¹

9/ The Congress has instructed the Commission to investigate and report "on means of assuring compatibility between televisions and video cassette records and cable systems, so that cable subscribers will be able to enjoy the full benefit of both the programming available on cable systems and the functions available on their televisions and [VCRs]." 1992 Cable Act at § 17.

10/ This would (1) enable users to seek a higher quality of installation if they are willing to pay for it and (2) reduce various subsidies (such as from one subscriber to another, or from recurring service charges to nonrecurring installation expenses) that may be inherent in the present system.

11/ It might also be noted that a similar approach is used in the case of in-house power lines. Consumers can handle certain wiring tasks themselves and call on electricians to tend to others. One need not employ the power company to add a switch or move an outlet.

The logic of applying the telephone model is made increasingly powerful by recent regulatory, technical, and marketplace developments. The Commission has recently authorized telephone companies to provide "video dial tone,"¹² and at least one major telephone company has recently demonstrated a technology for doing so over its existing wiring.¹³ For their part, cable companies have shown a strong interest in providing two-way, switched communications services.¹⁴ Numerous cross-industry alliances have been announced, and market definitions are blurring. Compression and digitization technologies are increasingly being employed in both the telephone and cable environments.

In short, having introduced competition and deregulation to the in-house twisted pairs used for telephony, the Commission should develop similar policies for the in-house coaxial cables used for cable service. To be sure, there will be various practical issues to address. For example, provisions may need to be made for amortization of existing investment; technical standards prescribed for

¹²/ Telephone Company-Cable Television Cross-Ownership Rules, 7 FCC Rcd 5781 (1992).

¹³/ News Release, "Bell Atlantic Plans Test of Video-On-Demand Capability (Oct. 21, 1992)

¹⁴/ For example, some cable companies have been among the leading participants in the development of "Personal Communications Services."

cable system operators may need to be adjusted to reflect the new point of demarcation; and issues of signal leakage may also need to be reviewed. As in the case of telephony, these issues should prove susceptible to reasonable -- and prompt -- solutions if all parties approach the matter constructively and cooperatively. EIA/CEG is willing to participate in developing these solutions.

The necessary first step is to establish the policy objective. In EIA/CEG's judgment, the primary objective should be maximization of consumer welfare through promotion of competition. Establishing a point of reference at the entry to the customer's premises will lay the foundation for competition in the provision of cabling services, facilitate consumer choice among competitive video delivery media, and encourage further growth in home automation capabilities through systems such as the Consumer Electronics Bus.

III. CONCLUSION

EIA/CEG welcomes the opportunity to offer these initial comments. We will look with interest on the comments submitted by other parties and to share additional views as the regulating process continues.

Respectfully submitted,

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December 1, 1992

Before the
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE CLERK

In the Matter of)

Implementation of the Cable
Television Consumer Protection
and Competition Act of 1992)

Cable Home Wiring)

MM Docket No. 92-260

**COMMENTS OF THE CONSUMER ELECTRONICS GROUP
OF THE ELECTRONIC INDUSTRIES ASSOCIATION**

The Consumer Electronics Group of the Electronic Industries Association ("EIA/CEG") hereby responds to the Petition for Reconsideration filed by the NYNEX Telephone Companies ("NYNEX") on April 1, 1993.¹ NYNEX seeks reconsideration of a Report and Order released February 2,² concerning the cable home wiring provisions of the Cable Television Consumer Protection and Competition Act of 1992.³ EIA/CEG strongly agrees with NYNEX regarding the desirability of enabling cable subscribers to control their cable home wiring immediately upon installation, and not merely after cable service is terminated.⁴

This proceeding was initiated to implement the congressional directive that the Commission "prescribe rules concerning the disposition, after a subscriber to a cable system terminates services, of any cable installed by the cable operator within the premises of such subscriber."⁵ Working under a tight statutory deadline, the

1/ By Public Notice, the date for submitting comments on NYNEX's and two other parties' petitions for reconsideration was fixed as May 18, 1993. 58 Fed. Reg. 26323 (May 3, 1993).

2/ 8 FCC Rcd 1435 (1993)("Order").

3/ Pub.L. No. 102-385, 106 Stat. 1460 (1992)("Cable Act").

4/ Petition for Reconsideration of the NYNEX Telephone Companies, at 5-6, MM Docket No. 92-260 (Apr. 1, 1993).

5/ Cable Act at § 16(d), to be codified at 47 U.S.C. § 544(i).

Commission felt compelled to limit its initial decision to establishing rules applicable when service is terminated.⁶ But the Commission also acknowledged that a diverse group of parties had advocated adoption of a comprehensive regulatory scheme for cable home wiring based on the rules applicable to telephone companies⁷ and that "broader cable home wiring rules could foster competition."⁸ Now that the problem of "time constraints" is no longer a factor,⁹ NYNEX's petition provides an opportunity for the Commission to revisit this issue with a broader focus.

In the interim, the Commission has already taken a significant stride in the right direction. In the proceeding establishing rate regulation rules for cable companies, the Commission has adopted the same 12-inch demarcation that earlier had been established in the order now under review in this proceeding.¹⁰ It is not yet completely clear whether this will result in the complete unbundling of rates for cable home wiring from the charges for cable services, but that appears to be what the Commission intends.¹¹ If so, this is welcome progress, but (1) it still does not ensure that cable subscribers have the opportunity to secure home wiring from vendors other than cable companies, (2) nor does it enable cable subscribers to use their home wiring with the same flexibility that now applies to ex-subscribers once service has been

^{6/} Order at ¶ 6.

^{7/} Id. Parties advocating this position included telephone companies, electronics equipment manufacturers, utilities, alternative video distribution providers, a local franchising authority, and consumers. Id. at n.11.

^{8/} Id. at ¶ 6.

^{9/} Under the statute, the Commission was compelled to complete the cable home wiring proceeding within a mere 120 days after the Cable Act became law. Cable Act at § 16(d). No such deadline applies to this reconsideration proceeding.

^{10/} Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Cable Rate Regulation, at 176 n.666, FCC 93-177, MM Docket No. 92-266 (released May 3, 1993).

^{11/} See generally id. at Appendix C, § 76.923(a)(4) & (b).

terminated (assuming that title has been transferred through purchase by the subscriber or abandonment by the cable company).

EIA/CEG continues to favor allowing consumers to own or lease their cable home wiring and to choose the quality, configuration, and usage of wiring that best suit their needs. Such an approach would limit the exercise of monopoly power in the wiring market and, by making it easier for consumers to shift from cable service to an alternative video distribution service, could help to dissipate market power in the video programming delivery market. Moreover, establishment of a single boundary between the cable service and the consumer's in-home environment could also simplify resolution of existing compatibility problems and prevent new generations of compatibility problems from arising.¹²

Adoption of generalized demarcation policies would have other benefits as well. It would facilitate assignment of costs to cost-causative users. It would give consumers the same freedoms with respect to cable wiring that they already enjoy with phone lines and power lines. It would eliminate an artificial distinction between the regulatory regimes for telephone and cable companies, at a time when differences between the two industries are beginning to blur. Finally, as discussed in EIA/CEG's initial comments in this proceeding, appropriate demarcation rules will promote the

^{12/} The Congress has instructed the Commission to investigate and report "on means of assuring compatibility between televisions and video cassette recorders and cable systems, so that cable subscribers will be able to enjoy the full benefit of both the programming available on cable systems and the functions available on their televisions and [VCRs]." Cable Act at § 17, to be codified at 47 U.S.C. § 624A. The Commission has initiated an inquiry to review compatibility issues. Unfortunately, the cable industry seems to believe that the best way to ensure compatibility is to deploy more converter boxes, A/B switches, splitters, and complicated wiring configurations -- despite the additional complexity and expense that will result for consumers. See generally Reply Comments of EIA/CEG, at 4-7, ET Docket No. 93-7 (Apr. 21, 1993). Appropriate demarcation policies could reduce the danger of such approaches being pursued and increase the likelihood that the cable companies would use consumer-friendly "point-of-entry" approaches to signal security.

development and use of applications using the coaxial cable portion of the Consumer Electronics Bus standard.

For all the foregoing reasons, EIA/CEG supports the petition of reconsideration filed by NYNEX insofar as that petition seeks to terminate the cable companies' provision of cable services at the point of entry to the subscriber's premises and to foster a competitive environment for the provision and use of cable home wiring.

Respectfully submitted,

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May 18, 1993

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I hereby certify that a copy of the foregoing COMMENTS OF THE CONSUMER ELECTRONICS GROUP OF THE ELECTRONIC INDUSTRIES ASSOCIATION was served, this 18th day of May, 1993, by first class mail, postage prepaid, upon:

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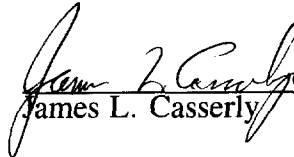
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